



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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DOGM
MINERALS PROGRAM
FILE COPY

January 17, 1991

Mr. Jerry North
Interstate Brick Company
9870 South 5200 West
West Jordan, Utah 84088-5689

Dear Mr. North:

Re: Deficient Notice of Intention to Commence Mining, Interstate Brick Company (IBC), Koosharem Mine, M/031/002, Piute County, Utah.

Pursuant to our telephone discussion of January 14, 1991, a description of the outstanding permit deficiencies will be presented below. In our discussion, you mentioned that IBC has no intention of continuing mining operations at the Koosharem site and is interested in what must take place in order for the Division of Oil, Gas and Mining (Division) to release IBC from further responsibilities at this site.

No mining and reclamation plan for the Koosharem site has received final approval from the Division or the Board. A plan submitted by IBC was given conditional tentative approval by the Division on July 28, 1980 with the understanding that the outstanding permit issues would be resolved shortly thereafter. On August 5, 1980, a reclamation surety for the amount of \$23,022 (1990 dollars) under the United Pacific Insurance Company was posted. The outstanding issues were not resolved at that time and still remain as of the date of this letter.

An additional reclamation surety meant to replace the existing surety was posted on May 17, 1990 in the amount of \$23,022 under St. Paul Fire and Marine. On October 25, 1990, this replacement surety was increased by rider to \$37,300. This new amount was the original reclamation surety estimate escalated to 1995 dollars by the Division. This replacement surety was posted in anticipation of receiving Board approval of the new surety and release of the original surety. It was then discovered that this matter could not go before the Board because, in fact, no approved Mining and Reclamation Plan existed for the Koosharem site.

In order for IBC to be released of further reclamation responsibility at this site, the following events must take place: 1) IBC must submit a Reclamation Plan for the Koosharem site to the Division for approval (in lieu of a Mining and Reclamation Plan); 2) once the reclamation plan is tentatively approved by the Division, a 30 day public notice must be published on this decision; 3) the amount and form of surety must be presented to and approved by the Board of Oil, Gas and Mining; 4) IBC must then perform complete reclamation of the site to the satisfaction of the Division and landowner, or formally transfer the approved reclamation plan to another entity who must then post the required amount of reclamation surety before the Division will consider the transfer complete.

In order for the first step to be accomplished (the Reclamation Plan), IBC must address the outstanding deficiencies outlined in the July 1, 1985 Division letter which are directly related to adequate reclamation of the site. More specifically, these are: 1) Submission of an accurate, up-to-date map of the mining operation illustrating the permit area and disturbed area boundaries. This map should be of a scale which provides enough detail for landmarks to be identified while at the site (approximately 1 inch = 500 feet or less). The map should include the location of any wells or drill holes; 2) provide evidence that no ground water has or will be affected by this operation. This may be addressed by providing information regarding any wells drilled which intercepted the groundwater table, the current pit depth and final pit depth after reclamation, and any other information regarding the location and status of the local groundwater table; 3) provide a verbal and graphic description of the final pit configuration. This includes demonstration of pit stabilization by backfilling or other means; 4) posting the revised and required amount of surety. Since this surety must reflect the reclamation detailed in the approved Reclamation Plan the amount may differ from the \$37,300 figure, in which case, IBC may wish to remove this replacement bond until an amount for final reclamation has been arrived at.

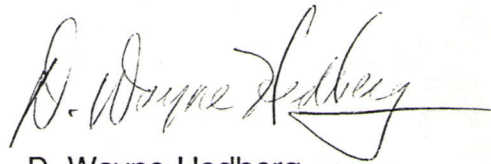
In the event that the \$37,300 bond is larger than the required amount, but removal and replacement of this bond is complicated and not in the interest of IBC, the Division may accept this over bonding during the interim while a transfer of the property is in process.

In the event that this mine and subsequent Reclamation Plan will be transferred in the near future, it is suggested that the transferor (IBC) and the prospective transferee contact the Division for information regarding the transfer process in order to facilitate this action.

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Interstate Brick Company
M/031/002
January 17, 1991

If you have any questions regarding the information contained in this letter please contact myself, or Tony Gallegos of the Minerals staff.

Sincerely,

A handwritten signature in cursive script, reading "D. Wayne Hedberg". The signature is written in dark ink and includes a long horizontal flourish extending to the right.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
cc: Tony Gallegos
M031002.1